

Valuing your IP

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India

Valuation Perspectives



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DESIGN



LITIGATION



PATENTS



TRADEMARK

- ADVERTISING AND PRODUCT LIABILITY
- ALTERNATE DISPUTE RESOLUTION
- BIODIVERSITY
- BRAND STRATEGY
- COMPETITION LAW
- CONTRACTUAL & COMMERCIAL IP
- CUSTOMS

- ENFORCEMENT
- ESSENTIALITY EVALUATION
- FASHION LAW
- FRANCHISING
- GEOGRAPHICAL INDICATIONS
- IT & E-COMMERCE LAWS
- LICENSING
- MEDIA AND ENTERTAINMENT LAWS

- PACKAGING AND LABELLING
- PLANT VARIETY
- REGULATORY
- SPORTS LAW
- START-UP
- TRADE SECRETS
- WHITE COLLAR AND IP CRIME

IP Asset Valuation– Benefits

- Developing favourable partnerships and licensing contracts
 - Add immense value to a company's net worth
 - Bolster corporate financing efforts
 - Communicate earning potential to investors
 - Indicator of earning potential and competitive prospects
 - Patent portfolio may have a direct effect on its stock prices
- Affymetrix's stock price dramatically jumped 28% in one day after the announcement of patent-infringement settlement between Affymetrix and Incyte Pharmaceuticals, a rival gene technology firm.

IP Valuation

- IP valuation is not a precise technique or art or science; it's the **commercial perspective**.
- Different methods on which broad market consensus is built over time
- The IP manager has to keep abreast with developments in the field noting the difference in practice when valuing patents, copyright, trademarks, industrial designs, and know-how.
- IP valuation practices come in focus not only for **financial reasons and funding**, but also **during litigation** and when **calculating tax obligations**.
- The valuation of IP assets and the management of IPR can be a strategic tool in **international transactions** to **minimize tax costs**.

IP Valuation Methods

- Cost Approach
 - Cost in generating IP
- Market Approach
 - Market value of similar IP
- Income Approach
 - Future projection discounted rate in present
- Other approaches
 - Eg. Hybrid approach or rule of thumb

IP Accounting

IP Asset should be accounted in company balance sheet

- Marketing related - TM
- Customer related – client list
- Artistic related – books
- Contract based –advertising
- Technology based – patent, software, database, know how

IP and taxation

- Government incentives R&D tax discounts
- Low tax territories for IP transactions
 - Transfer Pricing
 - Arms Length Principle

IP as collateral

- IP is an intangible asset that can be used as collateral for a loan
- IP should be a fixed component in any financing process.
- IP-assets are much more than only patents. But patents have high tradability, standardized application process and legal enforceability, which readily lends them as appropriate property that can to be used as collateral in the financing process.
- Copyrights and trademarks are often used as collateral for commercial lending.
- More rarely, trade secrets or know-how may be used as collateral for commercial lending.
- The usage of IP as collateral is determined by two elements:
 - Valuation - to reflect the market value in the case of bankruptcy
 - The Transfer Market for technologies

IP Strategy

- An **Internal IP Strategy** is comprised of:
 - IP Audit
 - IP Policy
 - IP Acquisition & Maintenance Strategies.
- An **External IP Strategy** is comprised of:
 - the Enforcement Strategy
 - the Competitive Intelligence Strategy and
 - the Public-Policy Issues
- External elements of an IP Strategy have to be implemented within the organisation.
- The creation of an IP culture within the organisation is the ultimate goal of the implementation of an IP Strategy.

IP Audit

- Systematic review of the IP assets owned, used or acquired by a business
- **Why audit**
 - to **enable** business planners to devise informed strategies
 - to **identify** any threats to a company's base line
 - to **optimize** the market position IP assets
 - to **uncover** under-utilized IP assets
- IP Audit can be done in three parts:
 - Identify internal IP Assets
 - Itemize external/market influences
 - Value/Rate IP assets
- Remember the Vowels: Audit; Enable; Identify; Optimize; Uncover

INTERNAL ASSETS	PRODUCT LIFE(YR)	EXTENT OF USE	IMPORTANCE	ESTIMATED VALUE \$
Trademarks				
Tm1	10+	}}}	}}}	100,000
Tm2	1-2	}}}	}}}	40,000
Tm3 etc	10+	}}	}}	10,000
Patents				
P1	15	}}	}}}}	2,000,000
P2	2	}}	}}}}	10,000
P3 etc	10	}}	}}	5,000
Designs				
D1	4	}}	}}}}	25,000
D2	10	}}}	}}}}	100,000
Copyright				
Forms,	5	}}	}}	1,000
Charts, etc	5	}}	}}	1,500
Trade Secrets	15	}}}	}}}}	100,000
Custom Software	5	}}}	}}}}	15,000
Recipes/formulations	10	}}}	}}}}	60,000
Manuals	5	}}}	}}}}	40,000
Publications	1-2	}}	}}}}	5,000
Training	1	}}	}}	50,000
Licenses in	1-2	}}	}}}}	50,000
Licenses out	5	}}	}}	100,000
External Assets				
Company "House" Brand	20+	}}}	}}}}	750,000
Product Brands	10+	}}}	}}}}	250,000
Distribution contracts	5	}}	}}}}	25,000
Raw Material networks	5	}}	}}	2,000
Client Lists	1-2	}}	}}}}	5,000
Marketing/Advertising	1	}}	}}	5,000
Goodwill	50	}}}	}}}}	100,000
Customer Loyalty	5-10	}}}	}}	20,000
Product Certification	2-5	}}}	}}}}	100,000
Import/Export networks	5-10	}}	}}	120,000

Basic Elements of IP strategy

The basic elements of an IP strategy should not differ significantly from those of a good business strategy.

- **What will be the focus of our IP resources and activities?**
 - What roles will IP play for our business?
 - Legal roles
 - Commercial roles

- **What capabilities do we need?**
 - For creating IP?
 - For administering IP?
 - For managing the commercial roles for our IP?
 - For managing the legal roles for our IP?

- **How will we approach managing our IP?**
 - What will be our mix of commercial vs. defensive activity?
 - What will be our “rules of the game”?

Basic Elements of IP strategy

- **What will be our sequence and timeline of IP activities?**
 - Sequencing of initiatives
 - Speed of each

- **How will we measure our success?**
 - What are the elements of “success” for our IP strategy?
 - What are some units of measurement for these elements?

- An IP Strategy must address the management of IP internally as well as externally.
- The internal IPM is important because if IP is not identified and protected there will not be anything to manage!
- Secondly, the IPM strategy must be directed externally to have any effect on the company's competitiveness and economic wealth.

Traditional Knowledge and IP

- Pak Klong Talad area, Bangkok, Thailand 1950s
- Boonchua Eiampikul and Tang Leng Yong- Chinese immigrants
- Master Tang – was a respected practitioner of traditional Chinese medicine took Boonchua under his wing as his apprentice
- Boonchua combined his entrepreneurial spirit and business savvy with Master Tang’s traditional knowledge
- Boonchua started refining the formula and ultimately transformed it into an oil-based product.
- Siang Pure Oil
- Bertram Chemicals Co Ltd – 1982 – Daughters Step in

Family business and IP

- Supeeya Saenghirun (Pharma Graduate)- Production
- Titima Eiamikul (Accountancy)- Finance and Personnel
- Suwanna Akrapongpisak (Marketing) - Marketing
- To refresh the company's image and appeal to a younger generation, Bertram's R&D developed a new product which had the same ingredients as Siang Pure Oil, but was reformulated.
- The new product, called Siang Pure Oil – Formula II, is crystal clear, less viscous and contains less menthol, which gives the oil a discrete scent and does not stain clothing.
- Developed a Formula II balm
- relabeled original oil & balm as “Formula I”
- Aggressive strategy to protect brand image



IP Policy

An IP Policy should address the following key questions :

- Who owns the IP?
- How will revenues/benefits from the commercialization of IP be shared?
 - between the employer and employees/researchers/inventors,
 - departments within the institution, and
 - the sponsors
- Who will manage IP assets, including negotiation of licenses and royalty-sharing?
- How will the costs of IP protection and maintenance be paid?
- How should any invention disclosure procedure be managed?
- Will spin-off companies or licensing contracts be used to transfer technology to the private sector for commercialization?

IP Policy

For **Public Institutions** an IP Policy should, additional questions

- Who owns the IP?
 - Are there any special rules where the IP was generated by government-funded research activities?
 - IP ownership issues in the case of privately funded research
- Are any government rights/stipulations attached to the commercialization of IP generated under public-funded research?
- To what extent will the institution encourage research commercialization through entrepreneurial activity?
- How will conflicts of interest between teaching duties and commercially-driven projects be handled?
- How will the public institution balance the need for both basic research and applied research?

IP Policy

- Plain Language
- No technical Jargon
- Glossary
- In line with the Company's overall goal/vision

- IP Culture
 - Training
 - Awareness
 - Incentives

Knockout Mouse

- Dr. Frank Koentgen and Dr. Gabi Suess, founded in 1999 **Ozgene**[™] Pty Limited
- Produces genetically modified (GM) mice (and rats) according to customer specifications, i.e., mice which have had a gene deleted, or a gene inserted, either in a specific location in the mice's DNA, or randomly in their DNA.
- Management decided for **creative branding strategy**





Ozgene actively reducing mouse numbers
ozgene.com



genetically modified mice ...
ozgene.com



Why Ozgene? - Ozgene
ozgene.com



genetically modified mice ...
ozgene.com



genetically modified mice ...
ozgene.com



Knockout mice - Ozgene
ozgene.com



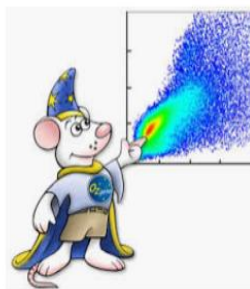
genetically modified mice ...
ozgene.com



Mouse breeding - Ozgene
ozgene.com



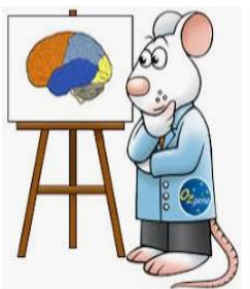
Transgenic mice - Ozgene
ozgene.com



Mouse phenotyping - Ozgene
ozgene.com



May 2016 - Ozgene
ozgene.com



October 2016 - Ozgene
ozgene.com



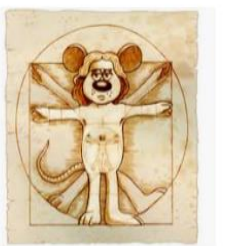
January 2017 - Ozgene
ozgene.com



February 2015 - Ozgene
ozgene.com



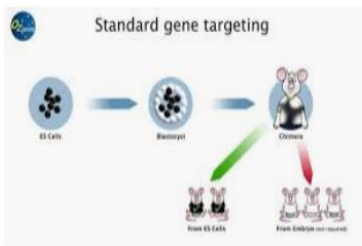
Ozgene Competitors, Reve...
owler.com



Humanized mice - Ozgene
ozgene.com



Ozgene | LinkedIn
au.linkedin.com



goGermline knockout & knock-in mice ...
ozgene.com

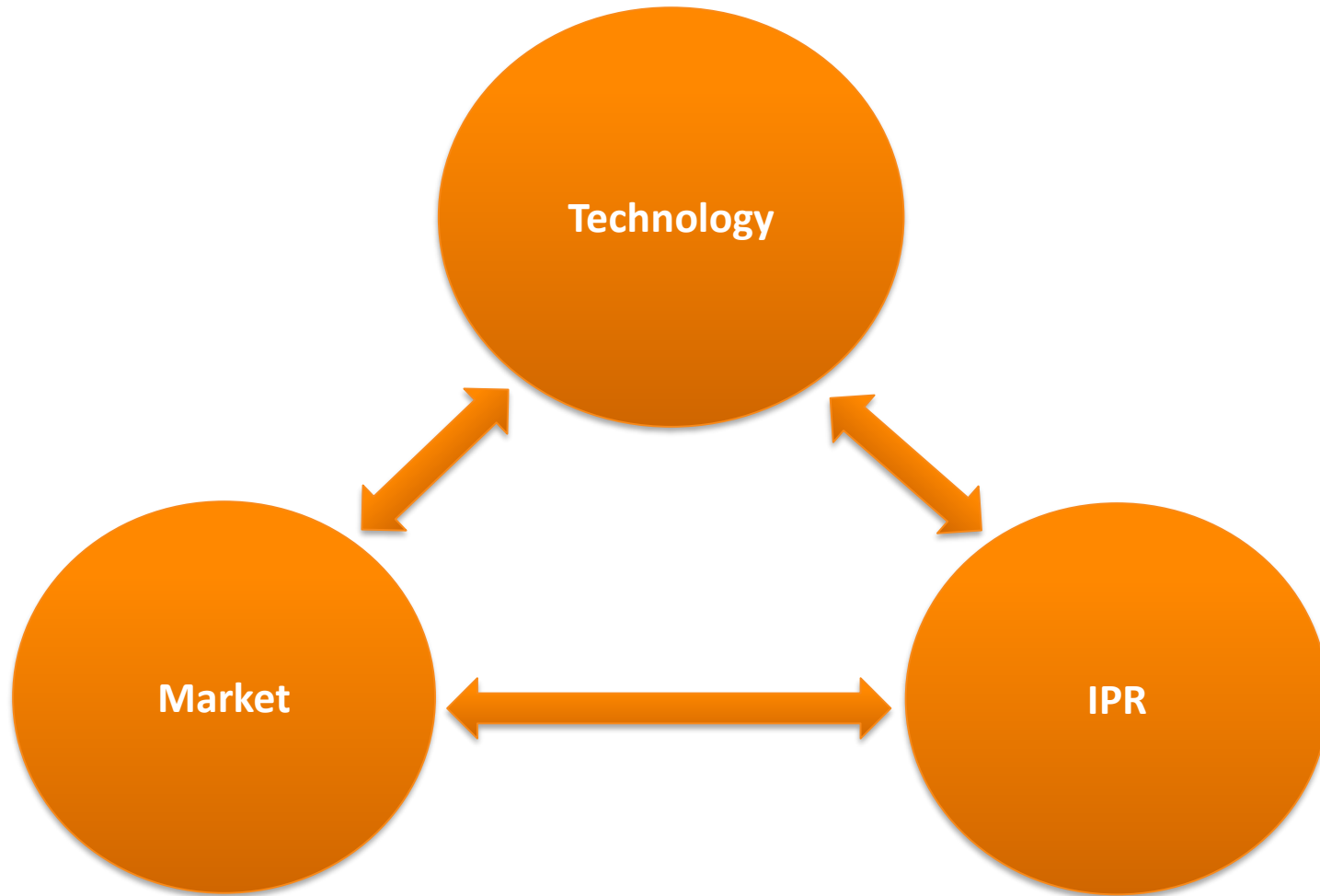
International Society for Transgenic ...
transtechsociety.org



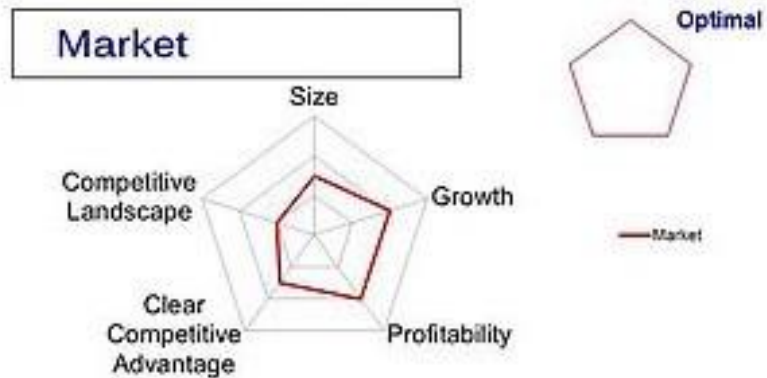
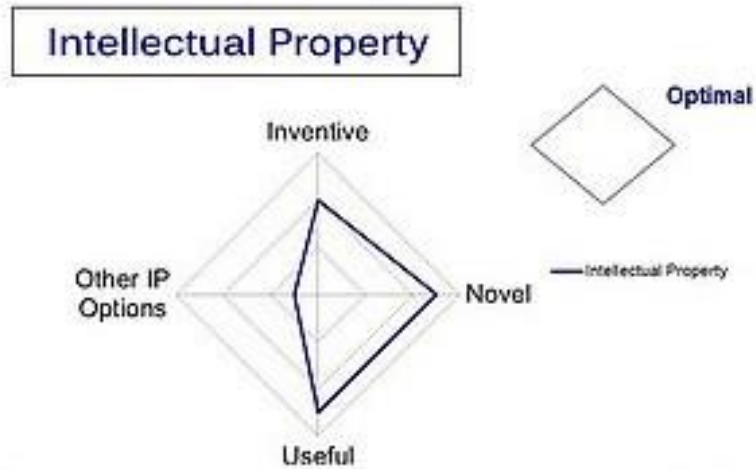
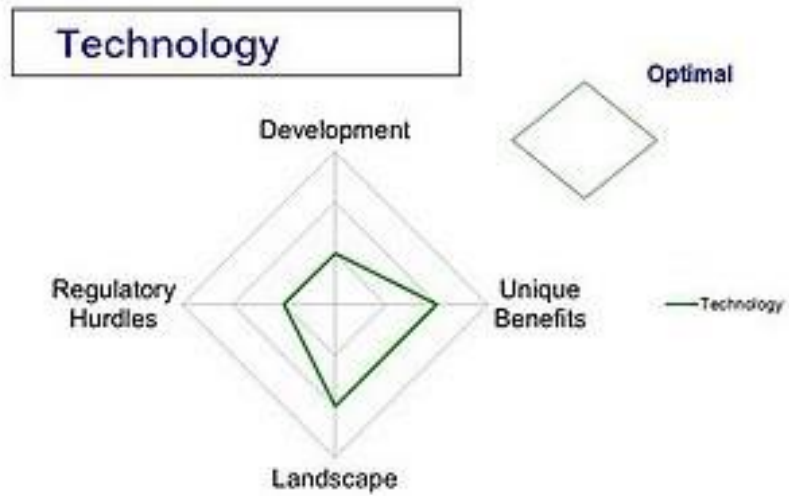
Ozgene Pty Ltd - Home | Fac...
facebook.com



Strategy



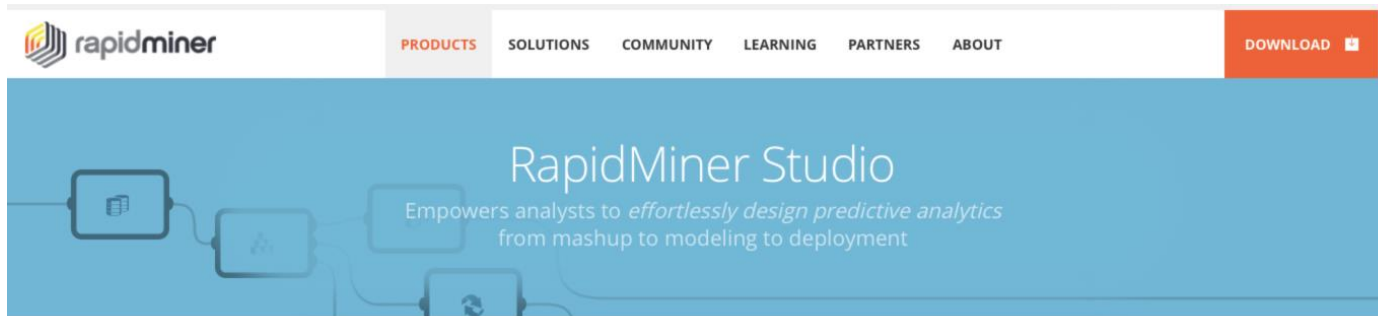
Strategy



Data Search for Patent Analysis

- **Dates** (priority, application and publication dates)
- **Numbers** (priority number, application number, publication number, family members, citations)
- **Names** (Applicants - also known as Assignees - and Inventors)
- **Classification codes** (e.g. International Patent Classification/Cooperative Patent Classification)
- **Text fields** (Title, Abstract, Description, Claims, Sequence data)
- **Images** (Diagrams)
- **Additional Information** (Legal Status, Public Registry etc.)

Data Mining Tools



The banner features the RapidMiner logo on the left, followed by navigation links: PRODUCTS, SOLUTIONS, COMMUNITY, LEARNING, PARTNERS, and ABOUT. A red 'DOWNLOAD' button is on the right. The main text reads 'RapidMiner Studio' and 'Empowers analysts to effortlessly design predictive analytics from mashup to modeling to deployment'. The background shows a flowchart of data processing steps.

Effortless predictive analytics.
No programming required.

Forget sifting through code! RapidMiner is the most powerful, easy to use and intuitive graphical user interface for the design of analytic processes. Let the Wisdom of Crowds and recommendations from the RapidMiner community guide your way.

[Start your free trial](#)



Open and extensible.

Hundreds of data loading, data transformation, data modeling, and data visualization methods with access to a comprehensive list of data sources including Excel, Access, Oracle, IBM DB2, Microsoft SQL, Netezza, Teradata, MySQL, Postgres, SPSS, Salesforce.com, and hundreds more! Easily integrate your own specialized algorithms into RapidMiner by leveraging its powerful and open extension APIs.



Data Visualization Tools

The screenshot shows the IBM Business Analytics website. At the top, there's a navigation bar with the IBM logo, 'Industries & solutions', 'Services', 'Products', 'Support & downloads', and 'My IBM'. A search bar is on the right. Below the navigation bar, the main content area features the heading 'Advanced visualization' with the subtext 'Visualize your data. Discover answers'. The background is a collage of data visualization elements: a word cloud with terms like 'Data', 'Innovation', 'Analytics', 'Visualization', 'Research', 'Ecosystem', 'Technology', 'Advanced', 'Discover', and 'Answers'; a bar chart with blue bars; a bubble chart with purple and pink circles; and a treemap with green and red blocks. A vertical sidebar on the right contains social media icons for LinkedIn, Facebook, Twitter, and YouTube. At the bottom of the main content area, there are three tabs: 'Overview', 'Conversations', and 'Luminaries'.

Democratizing visualization

Advanced visualization from IBM can help you gain insight from the myriad of data that your company generates. You can understand much more about the underlying numbers in your data when you can see them. For your visualization to be effective, you need technology that simplifies the visualization creation process and guidance from visualization specialists who can show you the best format for presenting your data. IBM Many Eyes, a web community that connects visualization experts, practitioners, academics and enthusiasts, offers this technology and expertise, along with ways to share and learn from others.

The appeal of the Many Eyes website is that it democratizes visualization. No programming or technical expertise is needed, so almost everyone has the power to create visualizations. You simply follow three steps:

1. Upload your public data set. Visualizations created on the Many Eyes website work from simple data formats, such as a spreadsheet or text files.
2. Select from a wide variety of visualizations or one recommended by Many Eyes.
3. Unleash your insight by sharing your visualization over the web. You can embed a visualization in your blog or easily share it on Facebook and Twitter with a single click.

Who is using Many Eyes and how

All kinds of people use the community at the Many Eyes website to demonstrate research, make a point, understand trends and patterns or illustrate a theory.

A banner with the text 'Join Many Eyes' in purple and blue. The background features a pattern of blue and orange circles of various sizes.

A banner with the text 'Download new visualizations' in purple. Below it, it says 'Access a growing collection of visualizations for Cognos Active Reports.' with a small logo. The background shows a collage of various data visualization charts like bar charts, line graphs, and treemaps.

A banner for a report titled 'Analyst Research: Interactive Data Visualization: Strategy and Technology'. It includes a small image of the report cover and the text 'This Aberdeen report examines the...'

Data Analytics

- Different reports
 - eg. PLR
- Different Purposes
 - eg. Freedom to operate

IP Due Diligence

THANK YOU

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